



PUBLIC NOTICE

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COMMON CARRIER BUREAU ANNOUNCES PROCEDURES FOR STATES REGARDING LIFELINE CONSENTS, ADOPTION OF INTRASTATE DISCOUNT MATRIX FOR SCHOOLS AND LIBRARIES, AND DESIGNATION OF ELIGIBLE TELECOMMUNICATIONS CARRIERS

On May 8, 1997, the Commission released Federal-State Joint Board on Universal Service, *Report and Order*, CC Docket No. 96-45, FCC 97-157 (Order). In that Order, the Commission adopted rules providing funding for discounts to eligible schools and libraries and support for low-income customers. The Commission also adopted rules mandating that state commissions designate common carriers as eligible telecommunications carriers for service areas selected by state commissions in accordance with section 214(e). In this public notice, the Common Carrier Bureau announces procedures that states must follow in order to receive universal service support.

Lifeline. In the Order, the Commission concluded that a revised Lifeline program shall be available in all states. The Commission held that Lifeline customers will receive \$3.50 in federal support without a matching requirement, beginning January 1, 1998. In states that accept an equivalent reduction in the portion of intrastate local rates paid by the end-user, Lifeline customers will receive an additional \$1.75 in federal support above the current \$3.50 level. In addition, the Commission will provide federal support equal to one half of any support generated by state commission action, up to a maximum of an additional \$1.75 in federal support, provided that the state commission approves this additional reduction in local service rates charged to Lifeline customers. **To accept increased Lifeline support, states must send a one-page letter authorizing the reduction of intrastate rates to the Universal Service Administrative Company (USAC). A copy of the letter must also be sent to Sheryl Todd and the Office of the Secretary at the Federal Communications Commission. Letters must be received by the Office of the Secretary by December 31, 1997 to be eligible for increased support beginning January 1, 1998. States may file the letter after December 31, 1997 but those states' Lifeline customers will not be eligible for increased support beginning January 1, 1998. The purpose of this letter is simply to notify the Commission that a state approves the reduction in the portion of the intrastate rate paid by the Lifeline customer. In a separate filing sent to the Administrator by December 31, 1997, state commissions or carriers must demonstrate that the carrier's Lifeline plan complies with the Commission's rules and state the number of qualifying low-income consumers and the amount of state assistance (see 47 C.F.R. § 54.401(d)).**

Schools and Libraries. As a condition of eligibility for federal universal service support for schools and libraries in a state, the Commission concluded that each state must adopt an intrastate discount matrix with entries at least equal to those of the interstate discount matrix. **To notify the Commission that a compliant intrastate discount matrix for schools and libraries has been adopted, states must send a one-page letter to USAC stating this fact. A copy of the letter must also be sent to Sheryl Todd and the Office of the Secretary at the Federal Communications Commission. States should include a copy of the adopted intrastate discount matrix. Letters regarding the discount matrix must be received by the Office of the Secretary by December 31, 1997 to be eligible for funding beginning January 1, 1998.**

Eligible Telecommunications Carriers. Section 214(e)(2) requires state commissions, either upon their own motion or upon request, to designate common carriers as eligible telecommunications carriers for service areas selected by the state commission. In addition, states must designate areas served by non-rural carriers. USAC will need the names of eligible telecommunications carriers and designated service areas for non-rural carriers in order to administer the universal service programs. Therefore, states should submit a list of eligible telecommunications carriers and the service areas that non-rural carriers are required to serve as soon as possible and in no event later than December 31, 1997, in order for carriers to be eligible for funding for high cost, low-income, and health care support, beginning January 1, 1998, except as set forth in 47 C.F.R. §54.621(a). Copies of the information must also be sent to Sheryl Todd and the Office of the Secretary at the Federal Communication. Commission.

All correspondence addressed to USAC should be mailed to: 100 South Jefferson Rd., Whippany, N.J. 07981. All correspondence addressed to Sheryl Todd should be mailed to: Federal Communications Commission, Universal Service Branch, CC Docket No. 96-45, 8th Floor, 2100 M Street, N.W., Washington, D.C. 20554. All correspondence addressed to the Office of the Secretary should be mailed to: CC Docket No. 96-45, Federal Communications Commission, Room 222, 1919 M Street, N.W., Washington, D.C. 20554.

For further information, contact: Kim Parker (202) 418-7393.

Paperwork Reduction Act Requirement

The Telecommunications Act of 1996 directed the Commission to initiate a rulemaking to reform our system of universal service so that universal service is preserved and advanced as markets move toward competition. In the Report and Order on Universal Service (released May 8, 1997), the Commission adopted rules that are designed to implement the universal service provision of section 254. States must send a letter authorizing the reduction of intrastate rates. Each state must adopt an intrastate discount matrix with entries at least equal to those of the interstate discount matrix and send a notification letter indicating that it has done so. States must submit a list of carriers designated as eligible telecommunications carriers and the service areas such non-rural carriers are required to serve. All the requirements are necessary to implement the congressional mandate for universal service. These reporting requirements are necessary to verify that particular carriers and other respondents are eligible to receive universal service support.

We have estimated that each response to this collection of information will take, on average, 1.25 hours. Our estimate includes the time to read the instructions, look through existing records, gather and maintain required data, and actually complete and review the form or response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, AMD-PERM, Washington, DC 20554, Paperwork Reduction Project (3060-0793). We will also accept your comments via the Internet if you send them to jboley@fcc.gov. Please DO NOT SEND COMPLETED APPLICATION FORMS TO THIS ADDRESS.

Remember -- You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0793.

This notice is required by the Privacy Act of 1974, P.L. 93-579, December 31, 1974, 5 U.S.C. Section 552a(e)(3) and the paperwork Reduction Act of 1995, P.L. 104-13, October 1, 1995, 44 U.S.C. 3507."